



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 August 18, 2015

Los Angeles County
Board of Supervisors

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August 18, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:


PATRICK O'QUINN
ACTING EXECUTIVE OFFICER

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number H-UCLA – Various \$7,100
- (2) Account Number H-UCLA – 10814974 \$8,333

Patients who received medical care at non-County facilities:

- (3) Account Number EMS – 581 \$5,000
- (4) Account Number EMS – 582 \$7,500

Total All Accounts: \$27,933



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facilities: The compromise offers of settlement for patient accounts (1) – (2) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (3) - (4) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or trauma care provided to eligible indigent patients at those facilities through the Los Angeles County Trauma Fund. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$27,933.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: AUGUST 18, 2015

Total Gross Charges	\$30,711	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$30,711	Date of Service	Various
Compromise Amount Offered	\$7,100	% Of Charges	23 %
Amount to be Written Off	\$23,611	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in a personal accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$30,711 for medical services rendered. The patient had ATP and ORSA with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$23,000, the policy limit carried by the party responsible at the time of the accident, and the patient's insurance is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	-	-	-
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$30,711	\$7,100	31 %
Other Lien Holders	-	-	-
Patient	\$15,900	\$15,900	69 %
Total	-	\$23,000	100 %

* No attorney was involved in this settlement. Offer was made by the patient's insurance.

This patient is covered by ATP (inpatient) and ORSA (outpatient) and as a condition of the ATP and ORSA agreements; the County may pursue reimbursement from any responsible third party. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: AUGUST 18, 2015

Total Gross Charges	\$150,797	Account Number	10814974
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$150,797	Date of Service	8/14/13 – 8/27/13
Compromise Amount Offered	\$8,333	% Of Charges	6 %
Amount to be Written Off	\$142,464	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$150,797 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and the attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333	\$8,333	33 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$150,797	\$8,333	33 %
Other Lien Holders	-	-	-
Patient	-	\$8,334	34 %
Total	-	\$25,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: AUGUST 18, 2015

Total Charges (Providers)	\$47,040	Account Number	EMS 581
Amount Paid to Provider	\$29,427	Service Type / Date of Service	Inpatient & Outpatient 8/28/14 - 9/2/14
Compromise Amount Offered	\$5,000	% of Payment Recovered	17 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total patient and outpatient gross charges of \$47,040 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$29,427. The patient's third-party claim has been settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$25,000)
Attorney fees	\$8,334	\$8,334	33 %
Attorney cost	\$349	\$349	1 %
Other Lien Holders *	\$3,520	\$3,520	14 %
Los Angeles County *	\$47,040	\$5,000	20 %
Patient		\$7,797	32 %
Total		\$25,000	100 %

* Lien holders are receiving 34% of the settlement (20% to Los Angeles County and 14% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 17% (\$5,000) of amount paid to Long Beach Memorial Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: AUGUST 18, 2015

Total Charges (Providers)	\$48,379	Account Number	EMS 582
Amount Paid to Provider	\$6,875	Service Type / Date of Service	Outpatient 1/6/2013
Compromise Amount Offered	\$7,500	% of Payment Recovered	109 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total outpatient gross charges of \$48,379 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,875. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Los Angeles County	\$48,379	\$7,500	50 %
Patient		\$2,500	17 %
Total		\$15,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 109% (\$7,500) of amount paid to Providence Holy Cross Hospital.